

GOVERNORS STATE UNIVERSITY
College of Business and Public Administration

Course Number and Title: FIN 425 International Financial Management

Session: Spring Trimester 1998
Mon. and Wed. 7:30 – 10:20 P.M.

Instructor: Prof. David Gordon (C3399)

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Office Hours: Mon. 2:00 – 3:00 P.M.
Tues. 6:30 – 7:30 P.M.
Wed. 4:00 – 7:30 P.M.
Or by appointment.

Credit Hours: Three

Catalog Description: Focuses on international aspects of financial management. Particular emphasis is placed on control of exchange rates and financing multinational corporations.

Prerequisites: FIN 301

Textbook: Jeff Madura, International Financial Management, 5th edition, West Publishing. (Required.)

Periodicals: Wall Street Journal (Recommended)
Barrons(Optional)

Rationale:

We live in an ever increasing global economy. Nearly all consumption expenditures involve foreign exchange transactions and other aspects of international finance, such as letters of credit, futures and options, etc. Our imports have grown at highly significant rates during the past few decades, our exports have also grown dramatically as a fraction of economic activity. Obviously this growth in exports and imports have effects on millions of jobs within the United States. Business firms that do not directly import or export are still affected by things such as exchange rates. Very few, if any, individuals and firms are isolated from the international financial environment. New international



financial instruments, such as , currency options and swaps have entered the scene, and techniques and problems they help solve are changing all the time. The study of international finance has become essential to financial managers of countless corporations, partnerships, and proprietorships.

Course Objectives:

Upon completion of this course the student should have a strong foundation and enhanced knowledge in the following areas:

- 1) International flow of funds.
- 2) International financial markets.
- 3) Exchange rate determination.
- 4) Currency futures and options.
- 5) Governmental policies that influence international financial variables.
- 6) Interest rate parity and purchasing power parity.
- 7) Forecasting of exchange rates.
- 8) Financing of international trade.
- 9) Long term asset and liability management.
- 10) International banking.

Course Evaluation Information:

Evaluation:

Midterm	40
Final Exam	40%
Research Paper	20%

Traditional Grading Scale:

A= 90 – 100
B = 80 – 89
C = 70 – 79
D = 60 – 69
F = 0 - 59

Tentative Schedule :

Chapters 1-9, 13, 16, 17, 22, 23. (These are subject to change!)

Syllabus Statement for Persons With Disabilities:

It is the intention of the institution to support full participation of all students, regardless of physical ability level. Therefore, if any student needs consideration of his/her physical abilities to complete the course, please notify the instructor as soon as possible.